

STATEMENT OF DOUGLAS L. SIEGEL, DIRECTOR, OFFICE OF INSTALLATIONS AND LOGISTICS, U.S. DEPARTMENT OF TRANSPORTATION, BEFORE THE LEGISLATION AND MILITARY OPERATIONS SUBCOMMITTEE OF THE COMMITTEE ON GOVERNMENT OPERATIONS, HOUSE OF REPRESENTATIVES, REGARDING H.R. 9059, A BILL TO ESTABLISH AN OFFICE OF FEDERAL PROCUREMENT POLICY IN THE EXECUTIVE BRANCH, JULY 16, 1973

Mr. Chairman, I am pleased to appear before this Subcommittee to present the Department of Transportation's views on H.R. 9059, the bill "To create an Office of Federal Procurement Policy within the Executive Office of the President".

From reading the Bill and its origins in the report of the Commission on Government Procurement, we conclude that the principle purpose of the Bill is to create a central authority within the Executive Branch to ensure that procurement policy and practice throughout the Federal Government will be uniform where appropriate and at least consistent when uniformity is undesirable.

We in the Department of Transportation have had experience, on a much more modest scale, with an effort to achieve that kind of uniformity and consistency in the policies and practices of diverse government procurement operations. We were created as a Department in 1967 through the combination of several organizational elements with long histories and very different administrative customs and bureaucratic traditions. The Coast Guard came from the Treasury Department, the Federal Aviation Administration

had been an independent agency, the Federal Highway Administration had, for the most part, been in the Department of Commerce. Other Departmental elements came to us from the Interstate Commerce Commission, the Department of Interior, the Civil Aeronautics Board and other agencies.

The Commission on Government Procurement noted that there were differences in the procurement policies and practices of the Federal agencies. The Department of Transportation, when it was established, furnished a dramatic example of this diversity.

As a decentralized Department our operating administrations, for the most part, have their own procurement offices. Very early we noted differences between them, not all of which could be explained away by differences in mission. We set about shortly after the Department was established to achieve the sort of uniformity and consistency that this Bill would establish for the entire government. We have had some success. In place of separate regulatory issuances by the administrations we now have one single set of Department of Transportation Procurement Regulations. And we now have in our Office of Installations and Logistics a centralized focal point for the development and articulation of common procurement policy and practice. On the whole I believe the effort has been successful and useful. We are all, I think, the better for having had the advantage of the experience of each of our elements in shaping

a common policy and a common set of directives.

On the basis of our experience we support the objectives of this bill as I stated them earlier. However, I am not sure that the solution proposed in the bill is the best way of achieving those objectives. The real problem as I read the record -- both the Commission's report and the extensive testimony before this subcommittee when the bill creating the Commission was considered -- was not one of lack of authority. The Federal Property and Administrative Services Act of 1947, the Armed Services Procurement Act, and the general authority of the President to direct and manage all of the governments activities furnish an adequate base from which to mount the needed effort. What is needed is a decision by the Executive Branch to create more uniformity and consistency in procurement policy and practice.

Our experience in the Department of Transportation may have its parallels with the current need for uniformity in procurement policies throughout the Federal Government. We achieved our uniformity and consistency without any specific legislative mandate. Our organic statute does not specify uniform procurement policy or practice as one of our specific objectives. We did what we did under the Secretary's general mandate to manage -- to direct and control -- all of the activities of the Department of Transportation.

It now appears that the President is taking similar steps to make the procurement policies of the Federal Government uniform.

As this subcommittee is aware, following the publication of the report of the Commission on Government Procurement the Executive Branch has issued Executive Order 11717, and the proposed reorganization within the Office of Management and Budget -- all evidencing the fact that a commitment has been made to use existing Federal machinery to create uniformity and consistency in Federal procurement policy and practice.

The machinery that has been set up in the Office of Management and Budget and in the General Services Administration, in our view, should be able to provide the central policy direction and management control that the Commission found to be necessary. I believe this subcommittee can assume what we in the Executive agencies strongly feel is the fact that the commitment by the Executive Branch is sincere and will last, and that it will accomplish the objectives which the Commission on Government Procurement envisions for the Office of Federal Procurement Policy. The Department of Transportation recommends therefore that action on this proposed bill be deferred pending this subcommittee's appraisal of the effectiveness of the Executive Branch's recent actions.

This concludes my testimony, Mr. Chairman. I now will attempt to answer any questions you, or other members of the Subcommittee may have.